

# SALES

RJR Sales Company / March-April 1989

# MERCHANDISER



Preferred Presence  
gives RJR an edge  
in convenience chains.

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## MEMO

# Key to program success is you

Our key strategies for 1989 reflect the importance of in-store merchandising, display and advertising in protecting and growing our business.

The newest and perhaps the most exciting program for 1989 is Preferred Presence. This program targets the top 50,000 high-volume convenience stores and is designed to establish brand presence at the selling location of pack outlets.

Preferred Presence allows us to integrate and leverage all of our resources — merchandising, promotional displays and advertising — into a single contract that “locks in” our programs for a longer term with the retailer. The promotional display is a permanent home for Magna, Doral and major brand promotions.

This issue of *Sales Merchandiser* features the successful effort to sell our Preferred Presence Program to Circle K, one of the nation's largest convenience-store chains. The number of convenience chains accepting the program is growing daily. We expect the same positive results when a Supermarket Preferred Presence Program, now being tested, is offered to supermarket chains later this year.

Our competitors continue to challenge our merchandising superiority and our in-store presence. Despite their aggressive efforts, RJR still maintains 90 percent of all carton fixtures and 91 percent of all counter displays at the cash-register position. This is a credit to your ability to sell our programs effectively, rather than just buy our way in.

Today's retailers are looking for merchandising concepts that provide more



flexibility and product display at the front end. They're looking for displays that are creative and contribute to sales, and in-store advertising that is innovative.

Preferred Presence represents a unique merchandising tool but it does not, by itself, make the difference between us and our competition. The real point of difference is you. Each of you and your internal support departments provide the sales professionalism and merchandising expertise that make programs like Preferred Presence a success. That combination of talents is the basis upon which we grow our business.

Good selling!

R. Sam Hendrix  
Vice President - Sales Operations

### ON THE COVER

The Preferred Presence Program is providing a dynamic display presence for RJR products in convenience chains nationwide. Here Roger Cobb, Phoenix, Ariz., senior chain accounts manager, demonstrates the new promotional floor fixture that the program combines with permanent counter displays in the key cash register position and advertising signs. This combination generates greater impact and sales in the demanding convenience-store environment. A story on the Preferred Presence Program begins on page 4.

## SHORT CALLS



### Mother-Daughters Team

Working for RJR Sales Co. is a "family affair" for many sales reps who have followed in their fathers' footsteps to pursue a career in the field. But when it comes to the "family business," the Southern California mother-daughters team of (left to right) Cynthia, Kelly and Karrie Copper has real strength in numbers. Cynthia is an area sales representative in the San Gabriel, Calif., division; her older daughter Kelly is a sales representative in the Orange County, Calif., division; and younger daughter Karrie works in the San Gabriel division as a promotional specialist. Cynthia and Kelly share the same employment anniversary month, only 10 years apart. Both Cynthia and Kelly began their careers as part-time sales workers. With this kind of family loyalty, RJR Sales Co. is likely to be counting its California Coppers in threes for years to come.

### Merchant likes good service

*Editor's Note: Sales Merchandiser recently received this letter from a customer who wanted to share his thoughts about the service he receives from RJR Sales Co.*

Gentlemen:

I am sure you get many complaints of various types. This is just a note to inform you of your representative that services our pharmacy, a Mr. Terry Rybolt (a sales representative - temporary in the South Boston, Mass., tobacco sales division).

What a man he is! He visits us periodically, checks and removes outdated stock, cleans displays, informs us of promotions and exchanges merchandise, all on his own.

We never have to tell him to do all the above. Our self-service rack and counter displays are spotless when he leaves. He is the only tobacco salesman that does this, of any company.

It is a pleasure to have him call on us. We have never refused any merchandise he wants to stock us with.

Henry I. Marmer, Registered Pharmacist  
Berry & Macdonald Pharmacy  
Somerville, Mass.

## Field to aid Action Alert

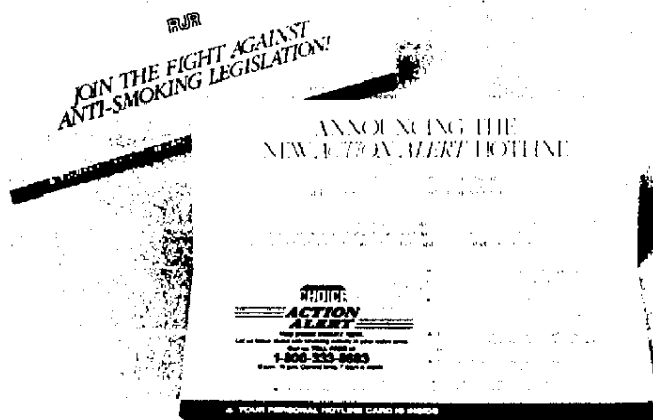
American smokers are fed up with unfair treatment and, with the help of Reynolds Tobacco and the field sales force of RJR Sales Co., they are beginning to fight back.

The R.J. Reynolds Tobacco USA public issues department has set up an "Action Alert Hotline," a toll-free number for smokers to call. The hotline collects reports of anti-smoking activity across the nation and advises smokers on how to protect their rights.

Each field sales employee has been

(see 'Action,' page 11)

A new Action Alert Hotline gives field sales employees a way to report anti-smoking activity.



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## MERCHANDISING

# 'Preferred Presence' spells sales success

RJR Sales Co.'s Preferred Presence Program is off to a flying start with an integrated approach to merchandising, promotion and advertising targeted to thousands of high-volume convenience stores from coast to coast.

"We introduced the Preferred Presence Program at the National Association of Convenience Stores (NACS) convention late last year, and our sales areas began presenting the program in January," says Jim Maguire, director of merchandising in the home office. "The response from the chains has been extremely positive.

"A number of the convenience chains have accepted the program immediately, while other retailers have programs in test stores," Maguire explains. "We have already gained participation in the Preferred Presence Program from chains representing more than 10,000 high-volume stores nationally.

"We are expecting 25,000 stores to be participating in Preferred Presence by the end of the year," Maguire predicts.

### Integrated program

Preferred Presence is a comprehensive, integrated merchandising program that combines the leading elements of RJR Sales Co. merchandising — the permanent counter display, Doral Savings Center, hard-hitting promotional displays and attention-getting advertising signs — into an all-inclusive package of features and benefits that appeal to the convenience retailer.

"Preferred Presence allows us to leverage all of our resources into a single, unified, high-impact retail support system for our brands where it counts the most — at the retail sales counter," Maguire says.

In addition to such familiar merchandising components as the permanent counter display in the key cash-register position and advertising signs, including those on overhead package merchandising fixtures, the program features a new permanent promotional vehicle — a spe-

cially designed promotional floor display unit, Maguire explains.

This fixture provides a permanent "home" for aggressive promotion by RJR Sales Co. of key brands, Doral packs and cartons, pricing information and highly

visible advertising — all combined into a single retail unit, exclusively for RJR, he says.

Another new feature that has been incorporated into the Preferred Presence Program is high-impact, lighted advertising



Sketches depicting the various elements of the Preferred Presence Program, like these being reviewed by Roger Cobb, have helped sell convenience chains on the concept.

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## MERCHANDISING

signage that enhances and reinforces the imagery of the featured brand each quarter.

"We know from past experience the value of promotion, coordinated with high-impact advertising, in these important pack outlets," Maguire says. "The Preferred Presence Program allows us to generate competitive trial, reinforce brand imagery and to build business for the retailer," he adds enthusiastically. "Retailers recognize its potential."

### Major challenge

A major challenge was to develop a new fixture that would combine the most effective elements of package promotion to encourage trial and impulse sales for regular and savings-segment brands, says Jan Olson, national manager - merchandising.

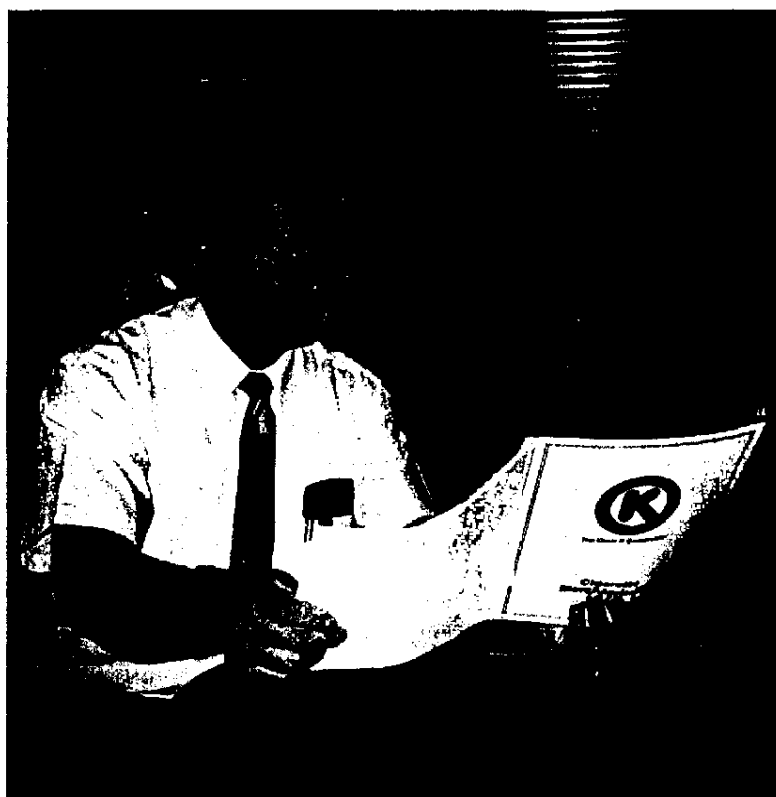
The fixture has an area on top for display of brand promotional items, either on cards or in a "dump bin" configuration. A portion of this area on the top of the fixture also can be used to display store promotional items such as lighters, Olson notes.

"The overall size was dictated both by what we were trying to accomplish and by the limited space in the convenience store environment," Olson says. "We think we packed in a lot of great features and the potential for generating a lot of activity from the fixture, in a size that will work for the retailers."

Months of sales effort and close cooperation between field sales and the home office paved the way to acceptance of the program at retail, says Roger Cobb, manager of the Phoenix, Ariz., chain division. As the hometown of Circle K, the nation's second-largest convenience chain with more than 4,700 stores, Phoenix has been a focal point in the program's development, Cobb says.

"We started work in this project last March, when Peter Schmidt (sales merchandising manager - Pacific/Mountain sales area) and I began discussing the concept with Circle K," Cobb recalls.

"We followed up with sketches and a couple of prototypes. Once we sold their senior management, we began working



The new Preferred Presence Program is a "breakthrough" in cigarette merchandising for RJR, says Bob Stahl, Circle K vice president - merchandising, here studying implementation plans with Patti Bonney, corporate merchandising coordinator.

with Jan Olson's group on the fixture," Cobb says. "Jan and Peter were the ones who made this concept work for Circle K. Circle K is the fastest-growing convenience chain, and we will be growing right along with them."

Selling Preferred Presence has been enjoyable because the program offers so many benefits to the retailer, Cobb notes. "They like the idea of gaining impulse sales, and they especially like the idea of reducing the clutter in the front end of the store through the integrated merchandising approach. Circle K also gained some space on the fixture for their promotional lighters.

"Best of all, for us, the fixture puts all of our programs right in front of the

smoker in the key selling area, at the cash register. This locks us into a dynamic position at the focal point of the store."

"We consider Preferred Presence a breakthrough, particularly the new display unit," says Bob Stahl, vice president - merchandising for Circle K in Phoenix. "This is the first truly 'different' cigarette display unit we've seen in years."

Circle K likes the lighted sign and the display areas for the chain's own promotional items, Stahl says. Circle K is especially enthusiastic about the concept of combining a variety of displays in a single fixture, he adds.

"We've been trying to consolidate cigarette displays for years, and you guys have finally done it," Stahl says. "Consolidating all the fixtures around the cash register

(continued next page)

## MERCHANDISING



The new floor display unit combines a variety of promotional elements to help make the new program work, says Jan Olson.

(continued from page 5)

puts the displays where they will do the most good, and it frees up space that we can use to merchandise other products.

"Preferred Presence is a good program — all of our stores are enthusiastic about it," Stahl says. "I expect that the acceptance of this program will be very good, throughout the industry."

"We are enjoying considerable success with the program in the Pacific/Mountain area," Schmidt says. "Both large and small chains are happy with it. They like the fixture and the way it presents the

various products and promotions in one compact, attractive unit."

"Everybody likes the idea of gaining incremental sales with trial, promotions and impulse purchases," says Jon Bowlby, Denver regional manager. "Most important for us, RJR gains a dynamic position in a key class of trade. With nationwide

implementation of the program, RJR will be the leader in cigarette merchandising in convenience stores.

"Preferred Presence underscores the importance of the retail environment and of a broader marketing approach in-store," Bowlby says. "It is helping to reinforce RJR Sales Co. in-store merchandising leadership, establishing future flexibility to promote our brands and working with retailers, building business together."

## SALES SUCCESSES



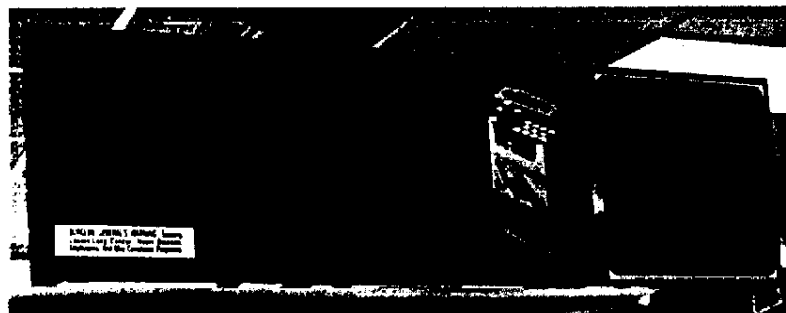
Todd A. McMahon replaced Philip Morris fixtures with RJR unit at Norwin News.

### Rep runs cowboy out of shop

Area Sales Representative **Todd A. McMahon** of the North Pittsburgh division recently sent the competitive cowboy riding off into the sunset from a key tobacco outlet in his assignment.

With persistence and determination, McMahon finally sold the Norwin News

tobacco shop on two four-foot, spring-load fixtures, replacing Philip Morris package units. In another victory for RJR merchandising, McMahon also secured the key cash-register position for RJR permanent counter displays and Doral continuous counter displays.



Overhead signs placed by J.T. Odom maintain RJR presence in Discount Food Stores.

### RJR hangs tough in food chain

There's more than one way to skin a cat, or scalp a cowboy, says **J.T. Odom**, division manager in the Huntsville, Ala., division. Even when a retailer decides to use a competitive merchandising fixture, the persistent seller finds a way to maintain RJR presence.

Discount Food Stores, a 70-store chain based in Ft. Payne, Ala., recently decided to use Philip Morris overheads.

Not to be outdone, Odom sold the chain

on a special advertising sign, six feet wide, suspended from the ceiling, using transparencies and the dealer logo on both sides. The piece is installed in all 70 stores, prominently visible to all patrons as they enter or visit the snack counter.

Best of all, Odom reports, while the competitive cowboy has to pay for his home on this retail range, RJR stays for free. No cost is involved in the placement of the advertising pieces, other than the cost of producing the sign itself.

### Mass display moves product

The camera doesn't lie: Mass displays move product, and they move it *fast*, as Area Sales Representative **W.T. Watlington** of the Panama City, Fla., division recently learned.

Watlington recently set up a mass display of 1,100 cartons, including 300 cartons of Doral and 800 cartons of core brands, at Farmer's IGA. With speedy sales ensured by \$2-off coupons and a local newspaper ad campaign, and knowing that *Sales Merchandiser* likes to run photos of brand-new displays with no unsightly gaps, Watlington immediately went to get his camera to take a picture of his display.

Unfortunately, by the time Watlington got back with his camera, part of the display had already been sold, leaving photographic proof of the effectiveness of mass displays, in conjunction with couponing and advertising, in generating cigarette sales. Following this promotion strategy, Watlington has more than doubled Farmer's IGA cigarette sales from 250 to 600 cartons per week.



Product began selling fast from this mass display, which was placed in Farmer's IGA by W.T. Watlington.

## SALES SUCCESSES

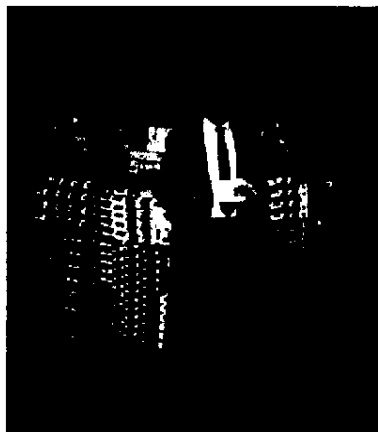
### Virginia now RJR Country

The cowboy likes to think of Virginia as "Marlboro Country," but the successful sellers in the Richmond, Va., division know better.

For example, Area Sales Representative **R.C. Lewis** of the Richmond division recently sold Welcome Food Center in Midlothian, Va., on the first mass floor display ever placed in the chain. Lewis placed 600 cartons, in addition to the store's basic stock, which fills 20 feet of Flex.

Welcome Food Center, a key high-volume outlet with cigarette sales of 1,000 cartons per week, now welcomes only RJR floor displays.

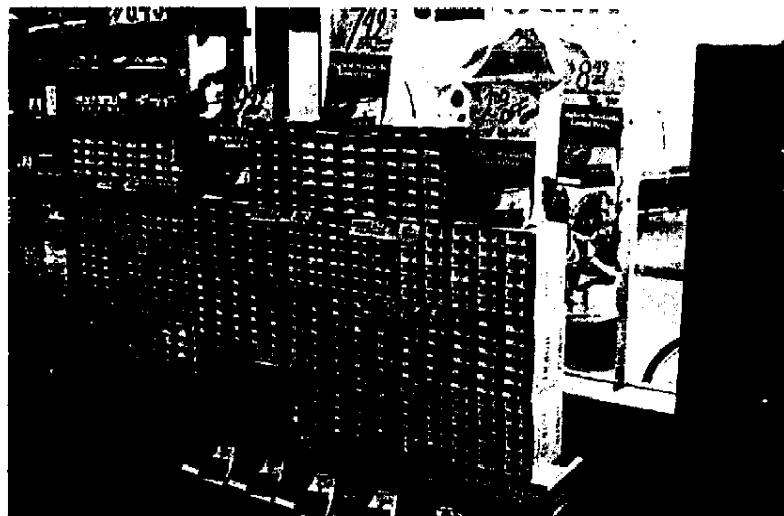
Meanwhile, Area Sales Representatives **Bobby Fox** and **Steve Poulos** of the Richmond division conducted an impact campaign along U.S. 29 from the Roanoke,



R.C. Lewis placed the first mass floor display ever accepted by Welcome Food Center.

Va., division line north to Culpepper, Va. They placed eight ground-mount signs, four pole-mounts, seven wall-mounts and seven pump toppers.

RJR now overshadows Philip Morris in impact pieces along this main artery into Washington, D.C., by a margin of 58 to 21.



A mass display was sold to Lopez Supermarket by Steve Garza.

### Rep sells Texas-size display

Area Sales Representative **Steve Garza** of the San Antonio, Texas, division recently placed a Texas-size mass display in Lopez Supermarket in Harlin-

gen, Texas. Garza ensured product movement with \$2-off coupons and sold the store on featuring the offer in its weekly advertisement.

### Persistence is rewarded

Area Sales Representative **Larry Hiner** of the Tulsa, Okla., division doesn't like to take "no" for an answer. His persistence and determination were finally rewarded recently, as a retail chain in his assignment has finally begun to say "yes" to RJR merchandising.

The 11-store Mr. O chain, based in Tahlequah, Okla., had never been receptive to cigarette merchandising and promotions offered by either RJR or the competition. Hiner's perseverance with presentations and strong basic sales service is paying off, however.

Doral Savings Centers and permanent counter displays have been approved for nine high-volume locations. RJR window price signs and outside price banners have been approved for all stores, and all locations are accepting RJR coupons for the first time.

The future looks promising for RJR at Mr. O, too, with testing of RJR overheads and Flex under way in one store, Hiner adds.

### Colorado store is sold on RJR

RJR cigarette brands enjoy a grand merchandising position at the Gibson's store in Grand Junction, Colo., thanks to the persistence and selling skills of Sales Representative **J. Engler** of the South Denver division.

Engler recently placed a 600-carton multi-brand mass display in the store, and assured fast product movement by placement of \$2-off coupons. Gibson's management was so pleased by the results that Engler sold them on repeating the display in the store each quarter. RJR is the leader in cigarette sales at Gibson's with 48 percent of the market.



## SALES SUCCESSES



RJR controls a 35-foot cigarette section in Brookville, Ohio IGA, thanks to the efforts of Division Manager L.W. Cloe and Celeste G. Reed.

### Cowboy loses Ohio showdown

Smart RJR merchandising headed the competitive cowboy off at the pass recently in Ohio. Sales Representative Celeste G. Reed and Division Manager L. W. Cloe of the Dayton, Ohio, division, used a combination of RJR fixtures to counter Philip Morris' attempt to place a carton and package merchandiser at

Brookville IGA in Brookville, Ohio.

Using a combination of spring-load and Flex merchandisers, RJR was able to control an entire 35-foot gondola section in the store. The determining factors in the choice of the RJR fixtures, according to store management, were superior features and attractiveness.



A new RJR fixture placed by Jeff Minor generated increased cigarette sales for Thriftway Supermarket in Dover, Del.

### RJR fixtures boost sales for grocery

Persistence paid off recently for Jeff Minor, area sales representative in the West Philadelphia division. After numerous presentations to management, Minor finally succeeded in selling Thriftway Supermarket in Dover, Del., on RJR merchandising.

Minor replaced several competitive fixtures with a special Doral Savings Center tailored to Thriftway's needs. The fixture generated an immediate 15 percent increase in Doral and Magna sales.

### Store accepts consolidation of generics

Area Sales Representative Jim Hoagland, of the Rochester, N.Y., division, knew the Doral consolidation program would do well at retail. Why? Because Hoagland had already implemented a successful consolidated generic cigarette section at the Wayland Foodmart in Wayland, N.Y.

In selling this combined unit, Hoagland replaced a four-foot, carton-only merchandiser, reduced competitive product, and expanded RJR space. Hoagland also sold the store a revised package program that gives RJR a dynamic position of leadership in full-price package sales.



A consolidated generic section expanding RJR display space was placed in Wayland, N.Y., Foodmart by Jim Hoagland.

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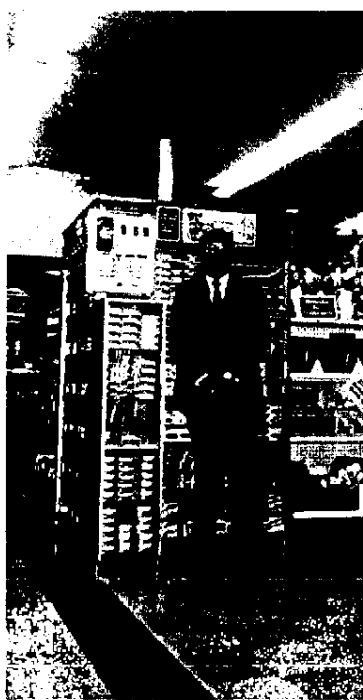
## SALES SUCCESSES

### Stores buying Doral success

Nothing succeeds like success, and the Doral success story just keeps on growing.

Don Crees, chain accounts manager in the Des Moines, Iowa, chain division, recently sold the Eagle Food Centers supermarket chain on exclusive placement of three-wide Doral Savings Centers and distribution of all nine Doral styles at 93 store locations. Doral will occupy the top three shelves of the five-shelf fixture, and the Doral brand will enjoy exclusive carton advertising in the savings segment.

Crees reports that the success of Doral, which recently became the first savings-segment brand in the top-10 sellers among all brands nationwide, was the deciding factor that persuaded Eagle Foods to choose his Savings Center proposal. RJR's history of industry leadership in merchandising was another plus, he adds.



Don Crees sold Eagle Food Centers on exclusive placement of Doral Savings Centers and distribution of all styles.

### Test is clincher for store chain

With superior fixtures to offer, if a determined seller can just get a reluctant merchant to give RJR merchandising a fair trial, acceptance is sure to follow.

For example, until recently, the 38-store Bi Mart chain in the Pacific Northwest region had not been responsive to package merchandising presentations. In fact, the chain had not even sold cigarettes by the pack for two years.

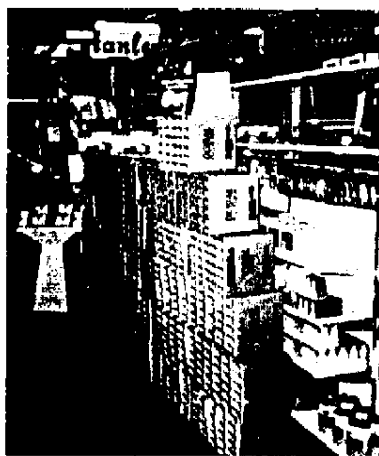
But Division Manager R.W. Bell of the Eugene, Ore., division, recently sold Bi Mart on placing RJR spring-load package fixtures in all 38 stores.

Bell's first step was to persuade Bi Mart to test the merchandisers in four stores. After only two weeks of testing, Bi Mart was so pleased with the results that the chain agreed to place the fixtures in all locations. The move gives RJR a commanding presence in both carton and package merchandising in Bi Mart.



After successful tests in four stores, R.W. Bell sold the 38-store BiMart chain on the RJR merchandising program.

### Rep attacks competing drive with mass-display strategy



This 1,800-carton display was placed in Stanley's Discount store by R.S. Tucker.

The best defense against competitive pressure is a good offense, with aggressive mass display placements as a key strategy.

For example, Area Sales Representative R.S. Tucker of the Charleston, S.C., division recently countered strong Philip Morris promotion of Marlboro and Cambridge with a Doral and multibrand display totaling 1,800 cartons at the Stanley's Discount store in Loris, S.C. Tucker also placed a floor display for a premium promotion offering a Camel commemorative lighter with a two-pack purchase.

Tucker pre-booked and order-booked a total of 28,190 cartons during the recent "Charleston Division Bash" promotion.

## PROMOTIONS & APPOINTMENTS



**William L. Judkins II** has been promoted to group manager — sales employment practices in the home office.

Judkins joined the company in 1978 as a sales representative in the Norfolk, Va., division, where he was promoted to area sales representative the following year. He was promoted to area manager — merchandising in the Washington chain division in 1981 and to training and development manager in the Washington region in 1982. Judkins was promoted to assistant division manager in the Alexandria, Va., division in 1983, to division manager in the Frazer, Pa., division in 1985 and to sales personnel operations manager in the home office in 1987. Judkins was promoted to sales employment practices manager in 1988.



**Steven R. Bremer** has been appointed chain accounts manager in the Wichita, Kan., chain division.

Bremer joined the company in 1978 as a sales representative in the Kansas City, Kan., division, where he was promoted to area sales representative the following year. He was promoted to area merchandising manager in the Dallas chain division in 1980 and to assistant division manager in the Dallas Mid-Cities division in 1982. Bremer was promoted to division manager in the Tulsa, Okla., division in 1983 and to chain accounts manager in the Minneapolis chain division in 1985.



**Jim K. Brown** has been promoted to chain accounts manager in the East Houston chain division.

Brown joined the company in 1973 as an area sales representative in the New Orleans division, where he was promoted to assistant division manager in 1978. Brown was promoted to division manager in the Jackson, Miss., division in 1984.



**Michael J. McCarrick** has been promoted to division manager in the South Denver division. McCarrick was special resources manager in the Phoenix, Ariz., division.

To sales systems planning manager, home office: **Kay Ward**.

To sales planning coordinator — home office: **Frank Vestal**.

To sales systems planning coordinator, home office: **Tom Meyer**.

To sales materials specialist — traffic and distribution, home office: **Joel W. Carlyle**.

To division special accounts manager: **Rosalyn B. Little**, North Atlanta division.

To division special resources manager: **Jean Siders**, Phoenix, Ariz., division.

To division training and development manager: **William T. Ward**, North Atlanta division.

## Action Alert

(continued from page 3)

given a brochure explaining the hotline service and a bright-yellow wallet card bearing the hotline number and instructions on how to use the service.

"Our sales representatives are out there in communities all over the country, every day," says Ken Brown, a director in public issues. "They are one of our most valuable sources of information."

"We wanted to ensure that our field sales force could play an active role in keeping us informed on anti-smoking legislation and regulation," says John Olenick, group manager, sales communications.

Similar wallet cards and brochures also were sent to millions of people all over the United States, including RJR employees, retirees and shareholders who subscribe to *CHOICE*, Reynolds Tobacco's newsletter that communicates with smokers and encourages their action on discriminatory anti-smoking issues.

Smokers and sales employees are being asked to call in as soon as they hear of any anti-smoking proposal, particularly those being considered by local governments. Dialing the toll-free hotline number — 1-800-333-8683 — between 8 a.m. and 11 p.m. Central time, seven days a week, connects the caller with the *CHOICE* Action Alert center in Dallas.

Callers are asked to supply the name and location of the governing body involved and details of the proposal.

Hotline calls are reviewed daily. When anti-smoking activity is reported, an Action Alert letter can be sent immediately to smokers in the area involved.

"In order to oppose unfair anti-smoking proposals, smokers have to know about them," Brown explains. "There are a lot of local governmental units out there, and it's difficult to keep track of what they're all doing, all the time."

"That's why we set up this hotline, to give people out there a quick, simple way of letting us know what's going on in their areas, so we in turn can help them respond more effectively."

# Within each of us lies the potential for greatness.

An illness in infancy left her blind and deaf. Helen Keller might have confronted life with a sense of bitterness and helplessness; a woman devoid of even the least ambition or purpose.

Instead, with support and guidance from Ann Sullivan, her mentor and teacher, Keller was taught to speak and read. She mastered life's circumstances and became a worldwide symbol for what the human spirit could accomplish.

Like Keller, you can achieve greatness too. With foresight and determination, you can realize your maximum potential — regardless of life's setbacks. Keep your sales standards high and work hard. The reward is well worth the effort.

Helen Adams Keller  
(1880-1968)

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